

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /088 W

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FM USLO PEKING

TO SECSTATE WASHDC 5549

INFO AMEMBASSY TOKYO

AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 764

E.O.11652: GDS

TAGS: ETRD, PFOR, CH, US

SUBJECT: CCPIT VICE CHAIRMAN LI CHUAN ON SINO-US TRADE

1. DURING CALL BY DEPUTY ASSISTANT SECRETARY OF COMMERCE DOWNEY APRIL 23, LI CHUAN, VICE CHAIRMAN OF CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE SHOWED A POSITIVE ATTITUDE TOWARD THE FUTURE OF SINO-US TRADE, AND PREDICTED A LEVEL FOR 1976 ABOUT THE SAME AS THAT FOR 1975. LI SAID THAT IT WAS CLEAR TO HIM THAT BOTH SIDES WANTED TO TRADE MORE, AND EXPRESSED REGRET ABOUT OBSTACLES TO TRADE IMPOSED BY THE US. HE SPECIFICALLY CITED EXPORT CONTROLS ON COMPUTERS AND THE HIGH TARIFFS, BUT, TAKING A FAMILIAR LINE, SAID THAT THESE OBSTACLES TO A HIGHER LEVEL OF TRADE WERE A PROBLEM FOR THE US, NOT CHINA.

2. LI SAID THAT THE FACT THAT A NUMBER OF CHINESE DELEGATIONS HAD VISITED THE US AND MR. PHILLIPS OF THE NCUSCT WAS MAKING TWO TRIPS TO CHINA THIS YEAR SHOWED THE STATE OF OUR TRADE RELATIONS WERE GOOD. THE CCPIT AND THE NCUSTC, HE SAID, WERE AFTER ALL AGENCIES OF THEIR RESPECTIVE GOVERNMENTS. WHEN CORRECTED ON THIS BY MR. DOWNEY, CONFIDENTIAL

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HE RETREATED TO THE POSITION THAT THEIR OFFICIAL

VISITS WERE AGREED TO BY THEIR RESPECTIVE GOVERNMENTS.

3. LI SAID THAT THE TIEN AN MEN INCIDENT WAS UNPRECEDENTED IN THE HISTORY OF THE PRC. THE SUPPORTERS OF TENG HSIAO-PING HAD WANTED TO OVERTHROW CHAIRMAN MAO'S REVOLUTIONARY LINE IN FOREIGN AND DEOMESTIC POLICY. LI SAID THAT THERE HAS BEEN NO CHANGE IN CHINESE FOREIGN POLICY OR FOREIGN TRADE POLICY AS A RESULT OF THE CHANGES IN A FEW POSITIONS IN THE GOVERNMENT ANY MORE THAN CALLAGHAN'S REPLACING WILSON AS PRIME MINISTER MEANT A CHANGE IN THE POLICIES OF THE UK. THE POLICY OF THE PRC, HE SAID, IS STILL GUIDED BY CHAIRMAN MAO'S THOUGHT. ON THE OTHER HAND, IF LIU SHAO-CHI, LIN PIAO, OR TENG HSIAO-PING HAD SUCCEEDED, THERE WOULD HAVE BEEN A REAL CHANGE IN FOREIGN POLICY. LI CITED LIN PIAO'S FLIGHT TO THE USSR AS EVIDENCE OF WHICH WAY THE CHANGE WOULD HAVE BEEN.

4. COMMENT. LI WAS GENERALLY UP-BEAT ON THE FUTURE OF SINO-US TRADE. POLITICALCOMMENTS ARE QUITE UNUSUAL FOR LI, AND WE SUSPECT HE FELT UNDER SOME PRESSURE AS A RESULT OF THE RECENT CHANGES TO MAKE THE STATEMENTS IN PARA 3.
THAYER

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